

International Agribusiness Center

Weekly Country Report, November 16-20 2020

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USDA/Global Agricultural Information Network Reports

Egypt Imposes Value Added Tax on Freight of Agricultural Commodities - [link](#)

On July 16, 2020, the Egyptian Tax Authority signed a protocol with the Customs Authority and Alexandria Chamber of Shipping to set a mechanism to apply value-added tax (VAT) on the freight of agricultural commodities effective August 1, 2020. This stems from a 2016 law, which mandates the application of VAT on a wide range of products in-lieu of a general sales tax. The law exempts certain agricultural commodities from VAT. However, the government began enforcing VAT on the freight of agricultural commodities on August 1, 2020 without prior notice. This tax policy could disrupt U.S. exports of soybeans, corn and corn bi-products to Egypt, and puts U.S. exports at a competitive disadvantage in the Egyptian market which could potentially jeopardize the reliable, affordable supply of food, feed and agricultural products for producers and consumers especially at a time when the global economy is experiencing significant challenges.

Hainan's Free Trade Port Could Yield Future Opportunities for US Ag Products - [link](#)

In June 2020, China's central government announced its economic masterplan to develop the south China island of Hainan into a Free Trade Port (FTP). The advertised zero-tariffs for imported products processed inside the FTP may lead to future opportunities for imports of U.S. ag products, such as meat and seafood. However, for the time being, importers of U.S. ag products seem reluctant to pursue these opportunities until FTP policies, infrastructure, and logistical networks are all solidly in place and working.

Guidance on Shipping Individual Small-Sized Samples to Japanese Buyers - [link](#)

The COVID-19 pandemic has led to a reduction in large trade shows where buyers generally sample and research new food and beverage products. Additionally, travel restrictions have prevented many U.S. exporters from visiting Japan. This report provides guidance on shipping small-sized individual samples to interested buyers in Japan and details eligibility for duty free shipments and import notification exemptions.

Japanese Import Regulations for Industrial Hemp Products – [link](#)

This report summarizes Japan's import requirements for industrial hemp products. U.S. exporters should ensure that all necessary custom clearance requirements have been verified with local authorities through foreign importers before the sales conditions are finalized.

Japan Joins Regional Comprehensive Economic Partnership - [link](#)

On November 15, Japan joined 14 countries spanning the Asia-Pacific region in signing the Regional Comprehensive Economic Partnership (RCEP) agreement. The members of the agreement are China, Japan, South Korea, Australia, New Zealand, and the 10 members of Association of Southeast Asian Nations (ASEAN). For Japan, it is the first trade agreement signed with China and South Korea. Under RCEP, Japan will abolish tariffs on 56% of farm products imported from China, 49% of those from South Korea, and 61% of items from ASEAN, Australia, and New Zealand.



Indonesia - USDA Dairy Roundtable Delivers Record Exports – [link](#)

The USDA-sponsored “U.S.–Indonesia Dairy Roundtable” event, held in Jakarta on September 30, 2019, has delivered record results for U.S. dairy exports. In the year since the seminal event concluded, U.S. exports of dairy products to Indonesia surged to more than 160,000 metric tons, valued at more than \$346 million. Moreover, U.S. market share of Indonesia’s nearly \$1.4 billion dairy import market dramatically increased from 14 percent to 25 percent. In calendar year 2020, as of September, the U.S. had already exported a record volume of dairy products to Indonesia and is on track to reach a record value by the end of the year. The event was an excellent example of FAS collaboration with host government officials, local importers, and U.S. industry stakeholders to increase U.S. exports.

Growing Opportunities for US Pet Food in the China Market - [link](#)

China’s pet food market is experiencing phenomenal growth that is expected to continue into the future. This growth spells new opportunities for U.S. pet food (and ingredients). Many Chinese pet food buyers are eagerly seeking business partnerships with U.S. pet food suppliers. Interested U.S. companies seeking to connect with prospective buyers are encouraged to work with FAS-China’s Agricultural Trade Offices (ATOs) and the U.S. Pet Food Institute. Contact information provided herein.

Thailand - United States Regains Market Access for Turkey - [link](#)

On November 6, 2020, the Thai Department of Livestock Development opened the Thai market for fresh U.S. turkey meat for the first time since 2014. Post forecasts that U.S. turkey meat exports will increase by as much as 70 percent by the end of 2021.

Second COVID-19 Wave Forces Belgium and Its Hospitality Sector Into Another Lockdown - [link](#)

On October 19, the Belgian hospitality sector closed again amidst a second COVID-19 wave that surpassed the first wave in the Spring of 2020. The absence of a new federal government until the end of September prevented early effective measures from stopping the second wave. It is expected that the Belgian economy, especially the hospitality sector, will face the dire consequences, despite the extension of existing, and new, emergency measures to underpin businesses and the poor going into winter.

Morocco Raises Chocolate Tariffs- US Remains at Zero Duty - [link](#)

Morocco approved a new tariff rate for imported chocolate and food preparations containing cocoa. The 2021 finance bill increases tariffs on these products from 17.5% in 2020 to 40% in 2021, effective January 1, 2021. Under the United States-Morocco Free Trade Agreement (FTA), U.S. products under these tariff lines benefit from zero duty

Disclaimer: This list is by no means complete, for more information please refer to the links above.